MULTIMEDIA UNIVERSITY STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2018/2019

DFA5058 – FINANCIAL ACCOUNTING

(All sections / Groups)

6 MARCH 2019
09:00 AM – 11:00 AM
2 HOURS

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 5 pages with 4 Questions only.

2. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

QUESTION 1
PART A

Aman Real Estate has been operated since June 1, 2018. Transactions for the month of June are presented below:

June

1 The owner, invested RM45,000 in cash in starting a real estate office operating as a sole proprietorship.
3 Purchased RM500 of office supplies on credit.
8 Purchased office equipment for RM9,000, paying RM3,000 in cash and signed a 30-day, RM6,000, note payable.
9 Real estate commissions revenue billed to clients amount to RM5,000.
15 Paid RM800 in cash for the current month's rent.
18 Paid RM300 cash on account for office supplies purchased in transaction June 3, 2018.
20 Received a bill for RM700 for advertising for the current month.
24 Paid RM2,300 cash for office salaries.
26 Withdrew RM1,300 from the business for living expenses.
30 Received a cheque for RM4,000 from a client in payment on account for commissions billed in transaction June 9, 2018.

Instructions

(a) Prepare journal entries to record the above transactions. (7 marks)
(b) Post journal entries to ledger accounts. (15 marks)

PART B

Instructions

(a) Explain generally accepted accounting principles. (1 mark)
(b) Explain the monetary unit assumption and the economic entity assumption. (2 marks)

[TOTAL 25 MARKS]

Continued...

QUESTION 2
PART A

Sunrise Hotel opened for business on 1 March 2018. Its trial balance before adjustment on March 31 is as follows:

Sunrise Hotel Trial Balance as at 31 March 2018		
	Debit (RM)	**Credit (RM)**
Cash	35,000	
Supplies	20,800	
Prepaid Insurance	24,000	
Land	120,000	
Buildings	600,000	
Furniture	150,000	
Accounts Payable		48,000
Unearned Rent Revenue		33,000
Mortgage Payable		400,000
Capital		413,800
Rent Revenue		103,000
Advertising Expense	6,000	
Salaries and Wages Expense	33,000	
Utilities Expense	9,000	
	RM997,800	**RM997,800**

Other data:

1. Prepaid insurance is a one-year policy starting 1 March 2018.
2. A count of supplies shows RM8,500 of unused supplies on 31 March 2018.
3. Annual depreciation is RM30,000 on the buildings and RM15,000 on furniture.
4. Sunrise Hotel signed a ten-years mortgage payable. The mortgage interest rate is 12% per year. The mortgage was taken out on 1 March 2018.
5. Two-thirds (2/3) of the unearned rent revenue has been earned.
6. Half of the accounts payable has been paid.
7. Collected RM19,000 rent in advance from customers for next month April 2018.
8. Salaries and Wages of RM8,500 are accrued and unpaid at 31 March 2018.

Instructions

(a) Prepare the adjusting entries on 31 March 2018. (9 marks)

(b) Prepare an Adjusted Trial Balance on 31 March 2018. (13 marks)

Continued...

PART B

Instructions

(a) List **FOUR (4)** internal users of accounting data. (2 marks)

(b) List **TWO (2)** external users of accounting data. (1 mark)

[TOTAL 25 MARKS]

QUESTION 3

PART A

Vertex Company
Statement of financial position
as at December 31

	2018	2017
Asset		
Cash	RM 6,000	RM 4,000
Short-term investment	12,000	10,000
Receivables (net)	5,000	4,000
Inventories	3,000	2,000
Land	15,000	15,000
Building	13,000	13,000
	RM 54,000	**RM 48,000**
Liabilities and stockholders' equity		
Notes payable	RM 8,000	RM 10,000
Account payable	5,000	6,500
Accrued liabilities	3,000	2,500
Ordinary share capital	23,000	17,000
Retained earning	15,000	12,000
	RM 54,000	**RM 48,000**

Additional information:

Net credit sales for year 2018 were RM121,500.

Instructions

(a) Compute the current ratio for both years. (3 marks)

(b) Compute the acid test ratio for both years. (3 marks)

(c) Compute the receivable turnover for year 2018. (3 marks)

(d) Prepare a vertical analysis of Vertex Company statement of financial position for both years. (13 marks)

PART B

Discuss the **THREE (3)** needs for comparative analysis. (3 marks)

[TOTAL 25 MARKS]

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QUESTION 4

PART A

The following is an incomplete worksheet done by an accountant of Six Star Company as at 30 June 2018.

Six Star Company
Worksheet for the Month Ended 30 June 2018

	Adjusted Trial Balance		Statement of Comprehensive Income		Statement of Financial Position	
Accounts	**Debit (RM)**	**Credit (RM)**	**Debit (RM)**	**Credit (RM)**	**Debit (RM)**	**Credit (RM)**
Cash	100,200					
Supplies	71,000					
Accounts Receivable	66,800					
Prepaid Insurance	180,000					
Equipment	240,000					
Furniture	174,000					
Accumulated Depreciation:						
Equipment		20,000				
Furniture		14,500				
Accounts Payable		45,000				
Note Payable		32,000				
Unearned Service Revenue		48,000				
Capital		520,000				
Drawings	5,000					
Service Revenue		153,450				
Commission Revenue		50,500				
Rent Expense	15,000					
Utilities Expense	8,000					
Salaries Expense	12,000					
Insurance Expense	6,000					
Advertising Expense	2,000					
Depreciation Expense:						
Equipment	2,000					
Furniture	1,450					
Total	**883,450**	**883,450**				
Net Income/ (Net Loss)						
Total						

Continued...

Instructions

(a) Complete the worksheet above. (17 marks)
(b) Prepare the closing entries on 30 June 2018. (5 marks)

PART B

Instructions

Describe on the following measurement and recognition concept:

i. Historical Cost Principle. (1 mark)
ii. Fair Value Principle. (1 mark)
iii. Revenue Recognition Principle. (1 mark)

[TOTAL 25 MARKS]
[GRAND TOTAL 100 MARKS]

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